

ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Ashburn Analyst: Rachel Coco Bill Number: SB 1587
Related Bills: No Legislative History Telephone: 845-4328 Amended Date: 05-13-2004
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agencies Make All Forms For Person Or Entity To Transact Business Available
On Web Site

SUMMARY

This bill would require state agencies to make available on their web site all forms used in conducting business.

SUMMARY OF AMENDMENTS

The May 13, 2004, amendments added language that would change the operative date of the bill. Further, the amendments would state that the forms to be made available on the web site shall be those used in the ordinary course of transacting business with that state agency.

The April 22, 2004, amendments removed language that would have required the Employment Development Department to establish a web site to provide individuals with forms and information related to starting a small business. The April 22, 2004, amendments added language relating to the availability of forms on every state agency's web site.

This is the department's first analysis of this bill.

PURPOSE OF THE BILL

According to the author's office, the purpose of this bill is to make doing business with state agencies easier for the public.

EFFECTIVE/OPERATIVE DATE

This bill would become effective and operative January 1, 2005.

POSITION

Pending.

ANALYSIS

FEDERAL/STATE LAW

Under federal law, the Internal Revenue Service Restructuring and Reform Act of 1998 requires the Internal Revenue Service (IRS) to make all tax forms, instructions, publications, and other taxpayer guidance available on the Internet. The act requires that the material be on-line at approximately the same time paper versions are available to the public.

Board Position:

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Department Director

Date

Gerald H. Goldberg

5/27/04

Under current state law, the State Forms Management Program was established within the Government Code for the purpose of developing basic form design and criteria in order to standardize public-use forms. Under this program, the Franchise Tax Board (FTB) is required to standardize, consolidate, simplify, manage, and where possible, reduce the number of tax forms.

In December of 1994, under Executive Order from Governor Wilson, FTB made tax forms and other related documents available to the public on FTB's web site.

THIS BILL

Beginning January 1, 2005, this bill would require every state agency that has developed forms used in the ordinary course of transacting business with the public, to make those forms available on its web site, as permitted by existing resources. The bill would require that the forms be in a format that would allow them to be printed from the web site.

This bill would not require or prohibit any state agency from accepting completed forms through its web site.

IMPLEMENTATION CONSIDERATIONS

This bill states "any form for the use of any person or entity." This phrasing could be interpreted to apply to all forms used in transacting business, including contract forms for vendors. The author's staff has stated that the intent of the bill was to only require those forms used by state agencies to provide services to the public to be available on-line. The author may wish to amend the bill to clarify the intent.

The department currently accesses the Department of General Service's web site for contracts and purchase agreements used to conduct business with vendors and contractors. So regardless of the implementation consideration, this bill would not significantly impact the department's programs and operations.

OTHER STATES' INFORMATION

Review of *Illinois, Massachusetts, Michigan, Minnesota, and New York* laws found that all of these states offer tax forms on their respective state's web site. The laws of these states were reviewed because their economy and business entity types are similar to California.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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